

The Prudential Insurance Company of America Payout Options

Prudential Insurance makes benefit payouts in one sum with Prudential's Alliance Account®. Prudential Insurance will automatically open an interest bearing account in your name on the next business day after the claim has been paid. (Please see the attached flyer for more information concerning Alliance.)

As an alternative, you may arrange with Prudential Insurance for a mode of settlement as described below:

Payments for a Fixed Period

The Death Benefit plus interest may be paid over a fixed number of years (1-25) either monthly, quarterly, semi-annually, or annually. The payment amount will be higher or lower depending on the period selected. The interest rate can change, but will not be less than the guaranteed rate shown in the claim settlement certificate you will receive. You may withdraw the total present value of payments not yet made at any time.

Payments in Installments for Life

The Death Benefit may provide monthly payments in installments for as long as you live. You may choose a guaranteed minimum payment period (5, 10, or 20 years) or an installment refund, which will guarantee that the sum of the payments equals the amount of the Death Benefit payable under this option. If you die before Prudential Insurance has made all guaranteed payments, we will pay the present value of the remaining guaranteed payments to a payee you designate. If you do not choose a payment period, no Death Benefits will be paid.

Interest Income

All or part of the proceeds may be left with Prudential Insurance to earn interest, which can be paid annually, semi-annually, quarterly, or monthly. The minimum deposit is \$1000. This option allows you to choose another settlement option at a later time. Withdrawals of \$100 or more (including the entire unpaid Death Benefit) can be made at any time. The interest rate can change, but will not be less than the guaranteed rate shown in the claim settlement certificate you or your beneficiary will receive.

Payments of a Fixed Amount

You may choose an income payment of a stated amount either monthly, quarterly, semi-annually, or annually. Prudential Insurance will make the payment until the proceeds and interest earned are fully paid. You receive a guaranteed specified sum for a limited number of years. The interest rate can change, but will not be less than the guaranteed rate shown in the claim settlement certificate you or your beneficiary will receive. Any interest credited will be used to extend the payment period.

Certificates of Deposit

If insurance proceeds are \$10,000 or more, you can purchase a certificate of deposit issued by Prudential Bank. You may choose among a variety of short and long-term options and receive interest annually or at maturity.¹

Under each of the above options, each payment must generally be at least \$20. Should you have any questions, please contact Prudential Insurance at (800) 524-0542.

If you elect one of these settlement options, the tax treatment of the Death Benefit may be different than it would have been had the option not been elected. Please consult your tax advisor for advice.

¹There is a substantial penalty for early withdrawal. Prudential Bank means either the Prudential Bank and Trust Company or The Prudential Savings Bank, F.S.B., each of which is a Prudential Financial company. Prudential Bank is a "Member of the Federal Deposit Insurance Company (FDIC)." Other settlement options are not guaranteed by Prudential Bank or FDIC insured.

Prudential's Alliance Account is a registered trademark of The Prudential Insurance Company of America.

Prudential Securities Incorporated is the Administrator of the Prudential's Alliance Account, a contractual obligation of The Prudential Insurance Company of America, located at 751 Broad Street, Newark, NJ 07102-3777. Alliance Account balances are not insured by the Federal Deposit Insurance Corporation (FDIC). Check clearing and processing support are provided by Bank One. Prudential Securities and The Prudential Insurance Company of America are Prudential Financial companies.

Alliance is not available for payments less than \$5,000, payments to individuals residing outside the United States and its territories, and certain other payments. These will be paid in a single sum check.